

New Funding Model Roll Out

Resource book for Global Fund applicants and action steps for civil society

June 2014 – ICASO

This alert provides information and practical guidance for civil society organizations and key population networks on the roll out of the Global Fund's New Funding Model. Links are provided throughout the document for additional information and clarification.

NEW FUNDING MODEL ROLL OUT

In March 2014, the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) formally rolled out the highly-anticipated New Funding Model (NFM), by announcing the official allocations for each recipient country and opening the Standard Application period. The first concept notes for grants fully applied for and awarded under the NFM were submitted in May 2014. The allocations announced generally constitute the anticipated funding for each country over the next three years, aggregating to a total of \$15.7 billion USD to be awarded by the Global Fund between January 2014 and the end of 2016. The Global Fund notes that most countries should receive more funds during these years than during past replenishment periods.

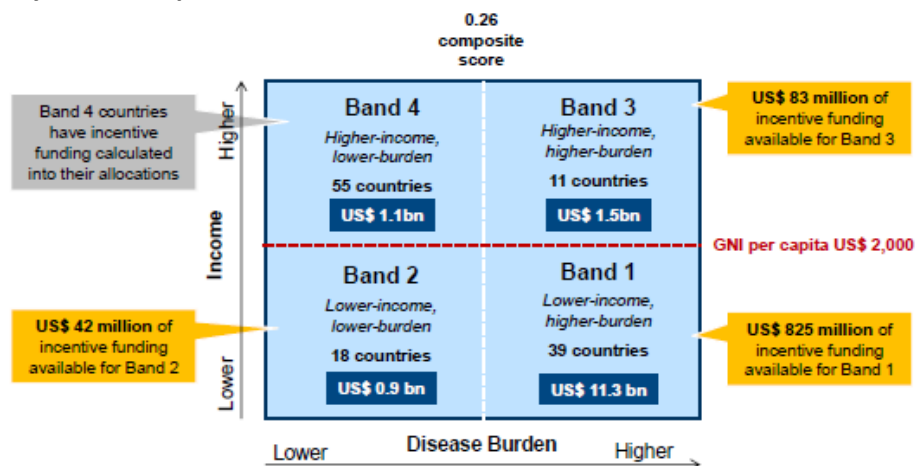
The roll out came two weeks after the close of the 31st Board Meeting of the Global Fund, in which allocation amounts, *country band* assignments, and other final decisions were taken in advance of the full roll out. The Board also approved a \$100 million Special Initiatives fund to support the Humanitarian Emergency Fund, Country Data Systems, and Technical Assistance for concept note development and community, rights, and gender issues. Read more about the Special Initiatives [here](#). Read the complete 31st Board Meeting decision points [here](#).

NFM COUNTRY ALLOCATIONS

From 2014 to 2016 the Global Fund will award approximately US\$14.8 billion funds through indicative grants, with an additional US\$950 million available as **incentive funding** for countries in Bands 1, 2, and 3. For Band 4, incentive funding is *already* included in the allocation. Using the new [Allocation Methodology](#), every recipient country has received an [indicative funding allocation](#). In addition to country-based funding, US\$200 million will be available for new regional grants.

Based on disease burden and per-capita income estimates, countries were then assigned to country bands. The country bands are organized to demonstrate the targeting of funds to respond to the greatest need and for greatest impact—cornerstone principles of the NFM. The following graphic demonstrate how resources are allocated by country band in the NFM. Note that more than 76% of all indicative funding will be allotted to Band 1 countries, being those with greatest need (disease burden) and least ability to pay (lowest income). Answers to some frequently asked questions, can be found [here](#).

Figure 1. Country Band Composition



Source: The Global Fund, "Allocation Communication". PowerPoint presentation. March 2014

Allocation Letters

Country allocations will be communicated directly to Country Coordinating Mechanisms (CCMs) through *Allocation Letters*. *Allocation Letters* will include the following information:

- Total allocation amount: *the maximum indicative funding amount available to a country.*
- **Eligibility:** *whether the country is currently eligible for funds based on need and ability-to-pay*
- Counterpart financing and willingness to pay requirements: *how much a country is expected to pay towards its own response; see below.*
- Country band assignment
- Potential incentive funding: *Country Band 4 ineligible.*
- Program split: *suggested breakdown of funds by disease.*
- HSS investments: *information about Health Systems Strengthening investment;*
- Start dates and duration of grants: *for existing and NFM grants. See Timelines below*

Counterpart Financing is the contribution made by the government of an applicant country to the national disease program. Expected counterpart financing percentages are assigned based on national income levels, based on World Bank classifications (see [Eligibility List 2014](#)).

Lower income: 5%

Lower lower-middle-income: 20%

Upper lower-middle-income: 40%

Upper middle income: 60%

NFM Timelines are determined by CCMs and are expected to fall into one of three categories. <i>Estimated periods begin with initiation of country dialogue and end with first disbursement after grant making.</i>		
Accelerated timeline: ~7 months	Average timeline: ~11 months	Long timeline: ~17 months
Expected for countries with strong, up-to-date NSPs, and qualified, experienced CCMs and PRs.	Expected for countries where country dialogue is needed to review NSP and set priorities, and where the CCM and PR are satisfactory but may require some review, capacity building, or adjustment.	Expected for countries with weak or non-existent NSPs and/or weak CCMs and/or PRs.

Concept note submission windows, for Countries <i>15th of each month</i>	
2014	May, June, August, October
2015	January, April, August, October
2016	April
Expression of Interest windows for Regional Applicants	
2014	May
2015	April
<i>Read more about the Regional Application Process here.</i>	

RESOURCE BOOK FOR APPLICANTS

In conjunction with the roll out of the NFM, the Global Fund has published a “Resource Book for Applicants,” which details much of the process and principles of the NFM. The Resource Book contains detailed information on how grants are applied for, reviewed, and awarded. All stakeholders are encouraged to thoroughly review the Resource Book, and reference it throughout their country’s process. The Resource Book will be regularly updated by the Global Fund Secretariat. The most recent version can be found [here](#).

For civil society, the Resource Book is an essential tool for understanding the NFM, as well as for holding CCMs and PRs accountable for the meaningful inclusion of civil society and key affected populations in all stages of a grant. The Resource Book is split into two primary sections: The first is instructional as to the grant application process. This section details each step of the concept note development and submission process and the grant review and grant-making processes. Discussions of each step include roles and responsibilities for all stakeholders, including civil society and key affected populations, practical advice on how to approach each step, and resources for more information. This section functions as a roadmap to the grant application process in the NFM. The second section of the Resource Book provides in-depth descriptions of many of the concepts presented in the first section. The appendixes offer a glossary of terms and information on obtaining technical support for the development of national strategic plans, a prerequisite for NFM funding.

ACTION STEPS FOR CIVIL SOCIETY

With the roll out of the New Funding Model, there is much for civil society to be thinking about and to engage with. The timeline and activities will be different in each country, so it is important to be as informed as possible, as early as possible. Below are some suggested action steps civil society organizations can be taking now to engage with the NFM in their country, and links to related resource materials.

- 1. Learn more about the Global Fund and the New Funding Model**
 - a. [Video on the Global Fund and CCMs](#)
 - b. [Information notes on various topics](#)
 - c. [Follow the Global Fund Blog](#)
 - d. [NFM Application forms and guidance](#)
 - e. [Frequently Asked Questions about the NFM](#)
 - f. [Civil Society Global Fund Application Preparedness Guide](#)
 - g. [AIDSpan/Global Fund Observer](#)
 - h. [Global Fund e-learning modules](#)
- 2. Review CCM eligibility requirements and composition**
 - a. Does your CCM currently have adequate representation from civil society, key affected populations, and people living with the diseases? Requirements have recently been strengthened regarding the inclusion of civil society, people living with the diseases, and key affected populations. Reviews of CCMs are currently underway.
 - i. [CCM Eligibility and Minimum Standards](#)
 - b. Does the CCM have seats for KP or PWD? How many? Who are the representatives?
- 3. Communicate with your CCM Secretariat**
 - a. To obtain a copy of your country's Allocation Letter
 - b. Obtain information on Country Dialogue activities and concept note submission timelines
 - c. Learn about opportunities for civil society engagement in the country dialogue and program implementation
 - d. CCM contact information can be found on the [Global Fund website](#), on your country's portfolio page.
- 4. Communicate with your constituents**
 - a. As you learn more about the NFM roll out in your country, be sure to share this information broadly. Country dialogue activities should be open to all interested stakeholders.
- 5. Familiarize yourself with the [Resource Book for Applicants](#)**